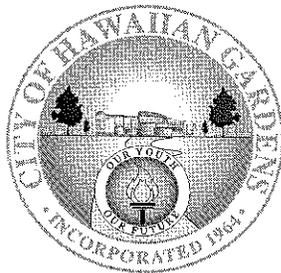


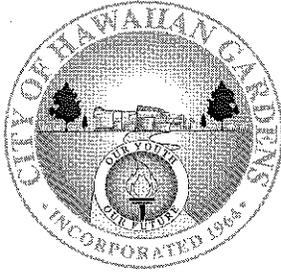
**CITY OF HAWAIIAN GARDENS
A G E N D A**

**OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY
OF THE CITY OF HAWAIIAN GARDENS**

CHAIRMEMBER	MICHAEL GOMEZ
VICE CHAIRMEMBER	GEORGE FRANZEN
BOARDMEMBER	GORDON STEFENHAGAN
BOARDMEMBER	JOSEPH COLOMBO
BOARDMEMBER	BECKY BLAIR
BOARDMEMBER	DAVID EL FATTAL
BOARDMEMBER	MEL IIZUKA



REGULAR MEETING
WEDNESDAY, AUGUST 22, 2012 AT 3:00 PM



AGENDA

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPEMNT AGENCY OF THE CITY OF HAWAIIAN GARDENS

WEDNESDAY, AUGUST 22, 2012 AT 3:00 P.M.

Meeting Location: City Council Chambers, 21815 Pioneer Boulevard, Hawaiian Gardens, California.

ADA Information: The City of Hawaiian Gardens complies with the provisions of the Americans with Disabilities Act (ADA). Anyone needing special assistance please contact the City Clerk's Department at **(562) 420-2641**, at least one (1) business day prior to the meeting so that we may accommodate you.

Bilingual Information: Anyone needing a Spanish bilingual translator for **ORAL COMMUNICATION ONLY**, please contact the City Clerk's Department at **(562) 420-2641**, at least one (1) business day prior to the meeting so that we may accommodate you.

PLEASE TURN OFF PAGERS AND CELL PHONES DURING THE MEETING.

CALL TO ORDER

FLAG SALUTE

ROLL CALL

CHAIRMEMBER	MICHAEL GOMEZ
VICE CHAIRMEMBER	GEORGE FRANZEN
BOARDMEMBER	GORDON STEFENHAGAN
BOARDMEMBER	JOSEPH COLOMBO
BOARDMEMBER	BECKY BLAIR
BOARDMEMBER	DAVID EL FATTAL
BOARDMEMBER	MEL IIZUKA

ORAL COMMUNICATIONS

This is the time reserved for members of the public wishing to address the board on any matter not otherwise on the agenda and within the jurisdiction of the Oversight Board. Speakers shall address all comments to the Chairmember and the Board as a body and not to any particular Board Member or member of the staff. Speakers shall be limited to three (3) minutes per speaker.

- A. **CONSENT CALENDAR** - Items listed on the Consent Calendar are considered routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item may be removed from the Consent Calendar and will be considered separately.

1. ADOPT RESOLUTION NO. OB 2012-006, TO ADOPT THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIOD OF JANUARY THROUGH JUNE 2013.

RESOLUTION NO. OB 2012-006

A RESOLUTION OF THE SUCCESSOR AGENCY RDA OF THE CITY OF HAWAIIAN GARDENS COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULES FOR THE PERIOD OF JANUARY THROUGH JUNE 2013.

BOARD ACTION: Waive further reading and adopt Resolution No. OB 2012-006.

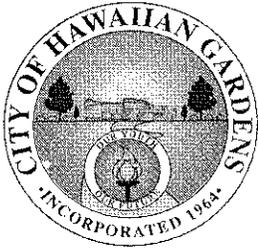
2. PRESENTATION OF MINUTES:

JULY 25, 2012 - REGULAR MEETING.

BOARD ACTION: Approve the minutes as presented.

B. **ADJOURNMENT**

Adjourn to the next Regular Meeting to be held on Wednesday, September 26, 2012 at 3:00 p.m. at the City of Hawaiian Gardens, City Council Chambers, 21815 Pioneer Boulevard.



**OVERSIGHT BOARD FOR
SUCCESSOR AGENCY TO
REDEVELOPMENT AGENCY OF
THE CITY OF HAWAIIAN
GARDENS
STAFF REPORT**

Agenda Item No.: A-1

Meeting Date: 8/22/2012

Executive Dir.: _____

TO: Honorable Chairperson and Members of the Board

FROM: David Sung, Finance Director

DATE: August 22, 2012

SUBJECT: Consideration of a Resolution Approving the Recognized Obligation Payment Schedule of the Former Hawaiian Gardens Redevelopment Agency for the Period of January through June 2013.

SUMMARY AND DISCUSSION

ABX1 26, the 2011 Redevelopment Dissolution Legislation, requires the Successor Agency of the RDA to adopt and update Recognized Obligation Payment Schedules (ROPS) to cover six-month periods to be submitted to the County and the State prior to the start of each six-month period (January-June, and July-December of each year).

In June 2012, the State Legislature adopted AB 1484 as part of the State budget, which amended the Redevelopment Dissolution legislation in various respects, including the requirement to submit ROPS approved by the Oversight Board at least 90 days before the date of the County makes property tax distributions. This amendment specifically requires that the ROPS covering January through June 2013 be approved by the Oversight Board and submitted to the State by September 1, 2012. Because September 1 falls on the weekend and Monday is a holiday, the actual due date is Tuesday, September 4.

RECOMMENDATION

By Motion, approve the Resolution Adopting the Recognized Obligation Payment Schedule covering the period of January-June 2013.

FISCAL IMPACT

Adoption of the resolution will allow the Successor Agency to pay the obligations listed on the ROPS.

ATTACHMENTS

Resolution and ROPS for January-June 2013.

OVERSIGHT BOARD RESOLUTION NO. OB 2012-006

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE HAWAIIAN GARDENS REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY THROUGH JUNE 2013.

WHEREAS, the Oversight Board of the Successor Agency to the Hawaiian Gardens Redevelopment Agency has been established to direct the Successor Agency to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the California Health and Safety Code as amended by AB X1 26 (the "Dissolution Act"); and;

WHEREAS, as part of this wind up process, all successor agencies are required to file a schedule of those "enforceable obligations" that require payments to be made throughout the dissolution process ("Recognized Obligation Payment Schedule"); and

WHEREAS, Part 1.85 of the Dissolution Act further requires the Recognized Obligation Payment Schedule to cover successive six-month fiscal year periods; and

WHEREAS, AB 1484, Chapter 26 of the 2012 California Statutes amended Part 1.85 of the Dissolution Act to require the submittal to the California Department of Finance by September 1, 2012, the Recognized Obligation Payment Schedule approved by the Oversight Board for the period of January through June 2013.

WHEREAS, the Oversight Board reviewed the Revised Recognized Obligation Payment Schedules adopted by the Successor Agency on August 14, 2012 covering the periods of January through June 2013.

NOW THEREFORE, BE IT RESOLVED, by the Oversight Board of the Successor Agency to the Hawaiian Gardens Redevelopment Agency, as follows:

1. The Recitals set forth above are true and correct and incorporated herein by reference.
2. The Schedules attached hereto as Exhibit A as the Recognized Obligation Payment Schedule for the period of January through June 2013 are hereby approved.
3. This Resolution shall be effective immediately upon adoption.
4. The Secretary of the Oversight Board shall certify to the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 22nd day of August, 2012.

MICHAEL GOMEZ, CHAIR

ATTEST:

SUZANNE UNDERWOOD, OVERSIGHT BOARD SECRETARY

MINUTES

**OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY
TO THE REDEVELOPEMNT AGENCY
OF THE CITY OF HAWAIIAN GARDENS**

WEDNESDAY, JULY 25, 2012 AT 3:00 P.M.

CALL TO ORDER

The Regular meeting of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Hawaiian Gardens was called to order by Chairmember Michael Gomez on Wednesday, July 25 2012, at 3:00 p.m. in the City Council Chambers, 21815 Pioneer Boulevard, Hawaiian Gardens, California.

FLAG SALUTE

The Flag Salute was led by Chairmeber Gomez.

ROLL CALL

PRESENT

CHAIRMEMBER	MICHAEL GOMEZ
VICE CHAIRMEMBER	GEORGE FRANZEN
BOARDMEMBER	GORDON STEFENHAGAN
BOARDMEMBER	JOSEPH COLOMBO
BOARDMEMBER	DAVID EL FATTAL
BOARDMEMBER	MEL IIZUKA

ABSENT

BOARDMEMBER	BECKY BLAIR
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Lucie Colombo, Assistant, Oversight Board Secretary, announced a quorum.

ORAL COMMUNICATIONS

No one wished to speak at this time.

- A. CONSENT CALENDAR** - Items listed on the Consent Calendar are considered routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item may be removed from the Consent Calendar and will be considered separately.

Chairmember Gomez pulled A 3.

1. ADOPT RESOLUTION NO. OB-2012-005, TO APPROVE THE REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULES (ROPS) OF THE FORMER HAWAIIAN GARDENS REDEVELOPMENT AGENCY FOR THE PERIODS OF JANUARY 2012 THROUGH JUNE 2012 AND JULY 2012 THROUGH DECEMBER 2012.

RESOLUTION NO. OB-2012-005

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPEMNT AGENCY OF THE CITY OF HAWAIIAN GARDENS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, APPROVING THE REVISED RECOGNIZED OBLIGATION PAYMENT SCHEDULES FOR THE PERIODS OF JANUARY 2012 THROUGH JUNE 2012 AND JULY 2012 THROUGH DECEMBER 2012.

BOARD ACTION: Waive further reading and adopt Resolution No. OB-2012-005.

2. PRESENTATION OF MINUTES:

MAY 23, 2012 - REGULAR MEETING.

BOARD ACTION: Approve the minutes as presented.

It was moved by Boardmember Stefenhagen, seconded by Boardmember Colombo and approved by voice vote to waive further reading and adopt the remainder of the Consent Calendar as presented.

Motion carried.

SEPARATE DISCUSSION ITEM.

3. UPDATE ON THE REDEVELOPMENT DISSOLUTION TRAILER BILL (AB1484).

BOARD ACTION: Receive and file.

Omar Sandoval, City Attorney, presented the staff report. He stated that there were several properties transferred to the Public Housing Authority for low mod housing purposes. They were properties purchased with the low mod housing funds. The Housing Authority was required to provide a schedule of all of its assets and submit them to the Department of Finance and that was due by August 1st. He stated that the PHA is currently working on that. There is a new requirement that the Recognized Obligation Payment Schedules be submitted to the Department of Finance at least 90 days before any tax distribution is due. There is a deadline of September 1st by which the ROPS for January 1 through June 30th of 2013 are required to be submitted to the Department of Finance. This Board has to approve the ROPS before that deadline. Because of that the Finance Department is working to put together that ROPS and present it to the Successor Agency at their next meeting. The ROPS will be presented at the Oversight Board's next meeting. That will meet the September 1st deadline.

Additionally there is an additional requirement that there be a "Due Diligence" review of the low mod income housing fund that is currently being held by the Successor Agency. Also by December 15th there will be a "Due Diligence" review of all of the other funds that are being held by the Successor Agency. The "Due Diligence" is like a mini audit to be done by a licensed CPA approved by the County Auditor Controller. Staff is working with an Accountant to do the audit. He stated that the County Auditor has already approved the firm and that David Sung, Finance Director, would give the Board more information on that.

Mr. Sung stated that the County Auditor gave the City permission to select the Auditors. The City is in the process of selecting a firm. He stated that he would like the same accounting firm that audits the City. He is negotiating with the firm at this time.

Omar Sandoval stated that the accounting firm that will be doing the audit for the City and the Successor Agency is new, as proposals go out every three years to change auditing firms and that occurred this year. Recently the City Council approved the new firm. It was done through an RFP process and the firm received a three year contract. Another item that will affect the Oversight Board is the Department of Finance received the authority to review the activities of the Successor Agency and to review the decision of this Board and the Department of Finance has the authority to override any decision made by the Successor Agency and the Oversight Board. The Department of Finance under AB 26 had three days to determine if they were going to review an action or not. If they decided that they were going to review the action in a three day period, then they had to give notice to review and had ten days to review it and come to a conclusion. AB1484 changed the three/ten day periods. Now the Department of Finance has five days to determine whether they are going to review a particular action or not and if they decide to review an action they have forty days to make a final determination. In the forty day period if they decide to override and overturn an action then the Successor Agency has a five day period to ask for an arbitration or mediation, then there is an additional ten day period to have that discussion. The ROPS has to be submitted to the Department of Finance at least 90 days before the next tax increment is distributed, it doesn't leave a lot of time for this review. There is an incentive now to try to put together the ROPS ahead of time to allow time to have that review period. One good thing for the Oversight Board is that the immunities provided to Public Officials have been clarified and that it's as expansive as the immunities applicable to public agencies and public employees. AB 26 did indicate that there was immunities afforded Oversight Boardmembers, now there are clarifications that the California Tort Claims Act applies 100% to the Board actions and decisions when serving on the Board.

Boardmember Iizuka asked if there was a suit brought against the Oversight Board who would represent the Boardmembers. Mr. Sandoval responded that the public agency provide a public defense to the official, unless the official was clearly acting outside their capacity as an official. The Successor Agency is covered under the City's Joint Powers Insurance Authority. It also extends to the Successor Agency because they are the former Redevelopment Agency, which was covered. The Oversight Board being an agency of the Successor Agency would be covered. He stated that he had heard from the JPIA that the insurance for the agency that appointed members to the Oversight Board would also cover them. Before a lawsuit can be filed, a claim must be filed and the claim has to be filed within six months and then there is a forty-five day period in which they have to respond to that claim.

Vice Chairmember Franzen asked if the fee for the auditing comes out of City funds or the designated funds that have been assigned to the Successor Agency or do you approve the bill and send it to Sacramento and let them pay it. It appears to be an unfunded mandate. Mr. Sandoval responded that the statute is silent, but reading it in its totality that there appears to be two ways to pay for the additional audits. One, it could come out of the administrative fee that is authorized which is 3% of the tax increment as 3% of the distribution to the Successor Agency can be allocated for administrative costs. Two, the statute does authorize the approval of new recognized obligations. Because the statute requires the additional audit be conducted then the Board can authorize payment of the auditing firm as a recognized obligation on the Obligation Payment Schedule. It comes out of the tax increment either way.

Mr. Sandoval stated that another change is that statute clarifies that the Successor Agency is a separate public entity. Separate from the City and County. As a public entity it can sue or be sued, hire employees as a separate government agency. Because of that the City would not be liable for its costs. That is why the cost for the audits can come from tax increments. Two other requirements that have been added that will affect the way the Board does business is it is required that any staff reports, any documentation that is provided to the Oversight Board must be provided to the Department of Finance. The agendas are forwarded to the Department of Finance with the staff reports. The last requirement is that actions of the Oversight Board need to be adopted by resolution, which the Board was already doing. There is no resolution for the approval of the minutes, but that he doesn't think that is absolutely required as there is no law that requires a resolution for minutes. The law does require that each Board have a secretary to keep the minutes so legally the secretary can attest to the actions of the Board and that is all that is required under the law. There is a practice that most, if not all agencies have and that is to put the minutes at the subsequent meeting for review and approval of the Board. That is more of a safety mechanism to make sure that the secretary got everything correct. He has in the past in litigation obtained certificates of minutes to submit in court documents and they are accepted even before the Board has reviewed and approved them. All that is needed is a secretary to attest to the fact that this is the action. He doesn't think that it is needed to have resolutions for the minutes, but a resolution is needed for all other actions of the Board.

Boardmember Iizuka asked if there had been an initial audit conducted of the assets of the RDA and was the deadline sometime in the summer. Mr. Sandoval responded that the audit was done by the County Audit Controller and they hired an outside firm and sent a representative of the firm to the City.

David Sung, Finance Director, stated that the audit had been concluded and the report has been sent to the Department of Finance. Boardmember Iizuka asked if the Board would have the opportunity to see the audit. Mr. Sung responded that he would provide a copy at the next meeting.

Mr. Sandoval asked if the Board would like to discuss the audit at the next meeting or just receive a copy of it. Boardmember Iizuka stated he would just like a copy of it to look over as he may not have any questions and instead of taking time today he would like to look at it first. Mr. Sandoval stated that the agendas are done two weeks in

advance so if Boardmember Iizuka had any questions to be discussed at the next meeting, then it could be agendaized. Everyone will receive a copy of the audit.

It was moved to Vice chairmember Franzen, seconded by Boardmember Stefenhagen and approved by voice vote to receive and file.

Motion carried.

B. ADJOURNMENT

Chairmember Gomez adjourned the meeting at 3:22 p.m. to the next Regular Meeting to be held on Wednesday, August 22, 2012 at 3:00 p.m. at the City of Hawaiian Gardens, City Council Chambers, 21815 Pioneer Boulevard.

Respectfully Submitted:

Suzanne Underwood
Oversight Board Secretary

APPROVED:

**MICHAEL GOMEZ
CHAIRMEMBER**

Attest:

Suzanne Underwood
Oversight Board Secretary